

(1) *Shock resistant.* A product may be properly described or designated as “shock resistant” or “shock absorbing” if it possesses a level of resistance to damage from shock sufficient to insure that it will successfully withstand the test described in paragraph 3 of the appendix to this part.

(2) *Water resistant.* An industry product may be properly described or designated as “water resistant” if it is sufficiently impervious to water or moisture so as to insure that at the time of its sale to the ultimate consumer it will successfully withstand the test described in paragraph 4 of the appendix to this part.

(3) *Antimagnetic.* A product may properly be described or designated as “antimagnetic” if it is so designed and constructed as to provide a substantial degree of protection against magnetism, and the product will successfully withstand the test described in paragraph 5 of the appendix to this part.

(b) Whenever a product described or designated as “shock resistant,” “water resistant,” or “antimagnetic” in conformity with this section is sold to the ultimate consumer, the designation should be accompanied by an appropriate statement explaining the meaning of the term and the care and maintenance ordinarily required to preserve the described qualities. The statement should be made on any point of sale material describing or referring to the watch having the designation in question and on a label or tag firmly affixed to the watch bearing the designation. [Guide 5]

#### § 245.6 Deception as to jewels.

Industry members should not misrepresent directly or indirectly, in advertising, labeling, marking, brand or trade name, or otherwise, the number of jewels contained in a watch, or that a watch is “jeweled” or that a watch contains a jeweled movement. Illustratively, industry members should not:

(a) Represent or describe a watch as “jeweled” or as containing a jeweled movement unless the watch movement contains at least seven jewels each of which serves the purpose of protecting against wear from friction by providing

a mechanical contact with a moving part at a point of wear;

(b) Refer to the number of jewels contained in a watch unless each and every one of these jewels serves the purpose of protecting against wear from friction by providing a mechanical contact with a moving part at a point of wear. [Guide 6]

#### § 245.7 Misrepresentation of accessories.

Industry members should not misrepresent directly or indirectly, in advertising, labeling, marking, brand or trade name, or otherwise, the composition, quality, or any other material fact respecting accessories. Illustratively, industry members should not, under this section: use terms, representations of metallic composition, words or names associated with precious, semiprecious, synthetic, and imitation stones, and quality marks in a manner inconsistent with the provisions of the Commission’s Trade Practice Rules for the Jewelry Industry, promulgated June 28, 1957, and amended November 17, 1959. [Guide 7]

#### § 245.8 Deceptive selling of used, rebuilt, or secondhand products.

An industry product which in whole or in part is used, secondhand, rebuilt, repaired, refinished, or which contains parts that are used, secondhand, rebuilt, repaired or refinished, should not be sold, offered for sale or distributed unless the fact that such product or parts are not new, or are used, secondhand, rebuilt, or repaired, or refinished, is fully and nondeceptively disclosed in all advertising of the product, on the product itself or on a label firmly affixed thereto, and on the immediate container in which the product is sold to the ultimate consumer. [Guide 8]

#### § 245.9 Deceptive imitation, obliteration, or concealment of trade names, trademarks, and marks.

Industry members should not imitate or simulate the trade names or trademarks of competitors, or obliterate, conceal, or remove tags, labels, marks, or other disclosures placed on an industry product or on the package in which it is sold to the ultimate consumer

under circumstances having the capacity and tendency of deceiving the ultimate consumer as to the identity of the manufacturer, origin of the product, or in any other material respect. [Guide 9]

**§ 245.10 Disclosure of foreign origin of watch movements, movement parts, and related matters.**

(a) Watches having movements of foreign origin or movements which contain parts of foreign origin should not be offered for sale or sold unless they are accompanied by a clear and conspicuous disclosure of the country or countries of origin of the movement.

(b) The countries of origin of a watch movement are the country in which the movement has been assembled and the country in which its substantial and significant parts have been manufactured. For purposes of this section, if parts constituting 50 percent or more of the cost to the assembler of all the parts of the movement are manufactured in a single country, those parts shall be presumed to be the substantial and significant parts of the movement.

(1) If the movement has been assembled in the same foreign country in which parts constituting 50 percent or more of the cost to the assembler of all the parts of the movement have been manufactured, the name of that country alone should be used to designate the origin of the movement. Appropriate forms of disclosure would include “Swiss Made”, or “Japan”.

(2) If the watch movement has been assembled in one country and parts constituting 50 percent or more of the cost to the assembler of all the parts of the movement have been manufactured in a single other country, the names of both such countries, and no other, should be used to designate the origin of the movement. Appropriate forms of disclosure would include “Assembled in France from Swiss parts”, or “Japanese parts, assembled in the United States”.

(3) If the watch movement has been assembled in one country but parts constituting 50 percent or more of the cost to the assembler of all the parts of the movement have not been manufactured in a single other country, only the name of the country of assembly

should be used, accompanied by a disclosure that the parts are partially foreign, imported or domestic, as the case may be. Appropriate forms of disclosure would include “Movement assembled in the United States from domestic and imported parts” or “Movements assembled in France from foreign parts” or “Assembled in Germany with parts from foreign countries”.

(4) For purposes of this section, the United States includes only the States, the District of Columbia, Puerto Rico, the American Virgin Islands, Guam and American Samoa.

(c) In making the disclosures under the circumstances set forth in paragraphs (b) (2) and (3) of this section, care should be exercised to insure that the form selected does not imply directly or indirectly that the movement is solely a product of the country from which its substantial and significant parts were obtained, or that it is solely a product of the country in which the movement was assembled.

(d) The disclosures provided for in this section should be permanently marked on an exposed surface of the watch or on a label or tag affixed thereto which has such a degree of permanency as to remain thereon until consummation of the consumer sale of the watch and be of such size and conspicuousness that they will be readily apparent to purchasers or prospective purchasers making a casual inspection of the watch. [Guide 10]

[35 FR 13122, Aug. 18, 1970]

**§ 245.11 Deceptive pricing.**

Members of the industry should not represent directly or indirectly in advertising or otherwise that an industry product may be purchased for a specified price, or at a saving, or at a reduced price, when such is not the fact; or otherwise deceive purchasers or prospective purchasers with respect to the price of any product offered for sale; or furnish any means or instrumentality by which others engaged in the sale of industry products may make any such representation.

NOTE: The Commission's January 8, 1964, Guides Against Deceptive Pricing furnish additional guidance respecting price savings representations and are to be considered as